

6.1

RESEARCH COST POINTS (TYPES AND FUNDING)

Policy Number: 043A/06/04

Scope: The policy provides information regarding the different types of research cost points and the funding of the research cost points, as well as the income accounts applicable to the research cost points.

Policy:

GENERAL

A distinction can be made between research cost points on the basis of funding. If such a distinction is applied within the University environment, the following categories can be identified, each with its income accounts.

RESEARCH CONTRACTS

With reference to Good Financial Management and Corporate Governance it is compulsory that a unique cost centre be created for each research contract with financial. This has been approved by the Finance Committee of the university. Projects related to the specific research contract can be managed through this cost centre. The cost centre will be closed as soon as the contract comes to an end.

Income accounts applicable to the cost points:

Acc nr	Description		Identification	VAT
5267	Department of Water Affairs and Forestry	DWAF	DWAF income	VAT is levied
5270	Department of Science and Technology	DST	DST income	VAT % will be determined
5287	South African Medical Research Council	MRC	MRC income	VAT is levied
5307	Water Research Commission	WRC	WRC income	VAT is levied
5373	Harry and Doris Crossley Foundation	HCF DCF	Donations received from HCF and DCF.	Exempted
5413	Research contracts		Funds received for contract research.	VAT is levied
5413	Protein research foundation	PNT	PNT income	VAT is levied
5540	Wellcome Trust		Wellcome Trust income	Exempted
5590	European Union Funding	EU	European Union funding	Exempted
5592	Foreign income		Foreign income received for non taxable supplies excluding 5777 (conferences), 5387 (bursaries) and 5373 (donations).	Exempted
5598	Foreign income		Foreign income	Exempted
5606	South Africa-Netherlands Research Programme on Alternatives in Development	SANPAD	Funds received from SANPAD. The research program are financed by the Dutch Ministry of Foreign Affairs.	Exempted

GENERAL RESEARCH COST POINTS

These types of research cost points are very common within the University environment and are funded by various institutions (all institutions excluding the other categories mentioned below).

Income accounts applicable to the cost points:

Acc nr	Description	Identification	VAT
5373	Donations	Donations received from outside institutions or person.	Exempted
5387	Bursary income	Funds received for payment of bursaries.	Exempted
5388	Sponsorship income	Sponsorship income.	VAT is levied
5415	Sales Zero rate	Funds obtained from the sale of exempt products (mainly agricultural products).	Exempted
5592	Foreign income	Foreign income received for non taxable supplies excluding 5777 (conferences), 5387 (bursaries) and 5373 (donations).	Exempted
5597	Sundry Taxable income	Funds obtained for services provided, goods delivered or any other research that is done.	VAT is levied
5598	Foreign income	Foreign income	Exempted

CONFERENCES, SEMINARS AND WORKSHOPS

An R cost point is created when a department presents a workshop, seminar or conference.

Income accounts:

Acc nr	Description	Identification	VAT
5388	Sponsorship income	Sponsorship income e.g. if an institution sponsors the conference.	VAT is levied
5777	Refresher courses	All registration fees.	Exempted

NRF

Only income from the NRF may be paid in against this cost point. The allocation of funds to the cost point is done by NRF Accountant at Financial Services.

Income account:

Acc nr	Description	Identification	VAT
5284	NRF income Bursaries	Income received from the NRF for bursaries.	Exempted
5285	NRF income	Income received from NRF	Exempted

NRF THRIP

Only income from the NRF may be paid in against this cost point. The allocation of funds to the cost point is done by the NRF Accountant at Financial Services.

Income account:

Acc nr	Description	Identification	VAT
5286	NRF THRIP income	Income received from NRF THRIP	Exempted

C FUNDS (RECTOR'S AWARD FOR EXCELLENCE IN RESEARCH)

Each person who receives an award from the Rector for excellence in research is given a C cost point. The award is transferred to the person's C cost point by Financial Services.

No income may be paid in against a C cost point.

K FUNDS

Each person who receives a grant from the subcommittees A, B or C is given a K cost point. The grant is transferred to the person's K cost point by Financial Services.

No income may be paid in against a K cost point.

S FUNDS (SOS PUBLICATION FUNDS)

Each department/division that receives a grant from the subcommittees A, B or C is given an S cost point. The grant is transferred to the S cost point of the department/division by Financial Services.

No income may be paid in against an S cost point.

Contact Division
Financial Services